

BETTY T. YEE, BOARD MEMBER STATE BOARD OF EQUALIZATION

Serving the 8.5 million Californians of the First Equalization District, comprised of 21 counties along the northern and central California coast, including the entire San Francisco Bay Area.

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JULY NEWSLETTER

Are California State Parks Making a Comeback?

Summer vacation time is in full swing, and for many of us, a beautiful California state park may be our destination. Our 280 state parks are treasured public assets for us to engage and refresh our minds, bodies and souls, and also teach us about our natural and cultural history.

The majority of state park entrance fees are around \$10.00 per vehicle, though a few parks charge per person, making parks relatively affordable for individuals and families. Most years California state parks host around 70 million visitors. The year 2002 marked a high point with over 85 million visitors.

The state park system receives funding from a variety of sources, but major funding comes from the State of California general fund, revenue from entrance fees, concessions and rental fees, bonds, the off-highway vehicle trust fund, and reimbursements from other agencies. The 2011-12 support budget for the cost of operating the parks was \$485 million.

Our state parks have suffered cutbacks in recent years. Park maintenance has been deferred, park services reduced, and park user fees have increased. The newly released 2013-14 state budget shows the general fund allocation to state parks remains relatively flat. However, the legislature enacted Assembly Bill 1498 Matching Fund Program with \$10 million in matching funds to help keep parks open. To date, California State

Parks has allocated \$5.8 million matched by 38 non-profit partners.

Parks Contribute to the California Economy

According to a comprehensive 2010 study titled, *California Outdoor Recreation Economic Study: State Park System Contributions and Benefits*, which was commissioned by California State Parks, and partially funded through a grant from the National Park Service, the economic contributions from park visitation from data collected in 2006-2008 were significant.

Direct Revenues Generated In State Parks

Families and individuals using state parks generated revenues totaling over \$84 million from user fees, concessions, rentals and in-park miscellaneous purchases. These revenues typically account for approximately 30 percent of the park service operating costs. Though state parks do not directly generate enough revenue to pay for themselves, they do indirectly generate significant other revenues benefitting the state and local communities. Parks brought in over \$150 million in state sales and use tax for food, beverage, and other taxable sales in state parks.

Rural Communities Benefit from Revenues Attributed to State Park Visitors

In addition to providing recreational opportunities, state parks stimulate the

economies of the communities near them. Many rural communities depend on state parks as their lifeline. The parks attract visitors who eat in their restaurants, fill tanks at their gas stations, buy supplies in their stores, and stay in their hotels and motels bringing much needed sales and use tax revenues to local government coffers, jobs for residents, and income to businesses. Local sales/use tax attributed to state park visitors was \$52 million, and local lodging tax revenues were \$91.9 million.

In the Sierra and northern California regions, recreation plays an important role in the economy as the proportion of jobs related to recreation is more than three times the statewide average. Overall outdoor recreation expenditures add \$20.8 billion to the California economy, and support approximately 200,000 jobs, making economic output from recreation among the top 45 sectors (out of 440) in California.

Parks Are Good for Us All

The data does conclude that investments in state parks yield positive economic, social, and cultural returns for us all to enjoy. Keeping our state parks well maintained and user fees affordable so everyone can enjoy these public treasures is an important priority.

Fun Fact: In 1864, Congress and President Abraham Lincoln granted Yosemite Valley to the state. Yosemite Valley remained a California state park until 1906, at which time it became a national park.

To learn more about services provided by the State Board of Equalization, please call my office or visit my web site at:
www.boe.ca.gov/members/yee

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Governor Brown Signs California State Budget for 2013-14 Fiscal Year

Last month, Governor Brown signed the first balanced budget in several years. The \$96.3 billion general fund spending plan will include much-needed funding for K-12 education, higher education, mental health services, and social service programs. Highlights from the budget include:

Education

The 2013-14 Budget spends \$70 billion (\$39.6 billion general fund and \$30.4 billion other funds) on K-12 education programs. The University of California and the California State University systems will receive a 5 percent increase of \$125.1 million. This first stage of a four-year funding schedule will increase general fund spending 20 percent for these universities. California Community Colleges will receive a year-over-year increase of \$228.6 million in general fund dollars and local property taxes.

Local Control Funding Formula

The budget replaces our current state-driven system for funding California's K-12 schools with the Local Control Funding Formula (LCFF). LCFF gives more discretion to school districts to determine and address their needs depending on their unique social and economic demographics. LCFF takes into account the additional costs and resources needed to teach English learners, students from low-income families, and foster youth. School districts will receive a per-pupil base grant for all students, a supplemental grant for each disadvantaged student, and a concentration grant for districts with over 55 percent of this targeted population. The budget allocates \$2.1 billion for LCFF's first-year implementation.

Health Care

With the federal Affordable Care Act underway, the budget enacts a state-based approach to the optional expansion of health care allowed under federal law while maintaining a strong public safety

net. The budget expands Medi-Cal, the state's Medicaid Program, eligibility to cover over a million additional low-income Californians and restores funding to dental care, mental health, and child care programs that were severely cut in recent years.

CalWORKS

Families in CalWORKS, a state program that provides aid to families needing housing, food, and medical care, will receive a 5 percent grant increase starting in March 2014. CalWORKS reforms include an increase of \$142.8 million for employment services and \$47.7 million for Early Engagement, an approach to addressing barriers to employment such as substance abuse, domestic violence, and housing issues from the very start.

Revenue Projections

According to the [Legislative Analyst Office](#), state revenues are much higher than what the Governor's May Revision anticipated. For the 2012-13 fiscal year to date, revenues from personal income, sales and use tax, and corporate income are \$695 million above the Governor's May Revision projections.

Many Californians are still economically fragile; however, the state's investment in education, health, and social programs is a good first step in strengthening the safety nets for underserved individuals and families.



Fourth Quarter 2011 Taxable Sales Totaled \$140.3 Billion \$11.4 billion more than the fourth quarter 2010

Fourth quarter 2011 taxable sales in California continued to grow, rising 8.9 percent above the same quarter of 2010. Taxable sales totaled \$140.3 billion in October, November, and December 2011, \$11.4 billion more than those same months in 2010. Taxable sales increased at a growth rate 5.5 percent faster than the growth rate for California personal income, 3.4 percent.

Across the board, taxable sales from total retail and food services stores rose 8.3 percent.

Retail Sectors Above Average

Retail stores accounted for 68.7 percent of total taxable sales. Sales by motor vehicle and parts dealers increased by 13 percent; new vehicle sales were slightly higher than used vehicles. Health and personal care sales grew by 10.7 percent. Sales at non-store retail

(mainly mail order and internet) grew by 9.5 percent.

Retail Sectors Below Average

Taxable sales growth across the major retail sectors averaged 8.9 percent, from a low of 1.2 percent for sporting goods, to a high of 8.8 percent for building materials and clothing stores.

Nonretail outlets

Nonretail outlets accounted for 31.3 percent of taxable sales. Nonretail taxable sales include items such as business equipment and construction materials.

Gas Stations

During the months of October, November, and December 2011, gas prices rose 18 percent. Revenue from taxable sales at gas stations rose 15.6 percent. Consumption

decreased by 1.4 percent for the same period.

First District Results

Fourth quarter taxable sales in the nine-county Bay Area increased 8.6 percent from a year ago. The city of Oakland posted an increase of 9.6 percent and San Francisco increased 9.3 percent. Trinity County was the only county in the First District to see a decrease in taxable sales, -24.7 percent.

Taxable Sales in California is a quarterly report summarizing the activity of roughly one million accounts registered with the Board of Equalization. The detailed report often takes well over a year to compile due to the lag time between sales and tax filing.

Taxable Sales in California

Counties with Increases in Taxable Sales:

Alameda	9.6	Amador	14.9	Butte	6.6
Calaveras	13.5	Colusa	16.4	Contra Costa	6.9
Del Norte	6.9	El Dorado	7.5	Fresno	9.9
Glenn	13.7	Humboldt	4.1	Imperial	9.1
Inyo	10.7	Kern	10.7	Kings	6.2
Lake	14.7	Lassen	16.6	Los Angeles	7.9
Madera	0.4	Marin	6.2	Mariposa	2.6
Mendocino	9.6	Merced	12.6	Modoc	21.3
Mono	1.7	Monterey	8.0	Napa	12.7
Nevada	7.9	Orange	8.3	Placer	10.1
Plumas	10.7	Riverside	11.7	Sacramento	7.0
San Benito	2.2	San Bernardino	10.8	San Diego	8.4
San Francisco	9.3	San Joaquin	15.0	San Luis Obispo	19.1
San Mateo	8.7	Santa Barbara	7.4	Santa Clara	6.9
Santa Cruz	5.6	Shasta	6.0	Sierra	3.5
Siskiyou	16.3	Solano	17.1	Sonoma	8.9
Stanislaus	7.6	Sutter	11.3	Tehama	8.5
Tulare	15.2	Tuolumne	3.8	Ventura	7.8
Yolo	10.2	Yuba	11.3		

Counties with Decreases in Taxable Sales:

Alpine	-13.0
Trinity	-24.7

Gasoline Consumption Down, Diesel Consumption Up in First Quarter 2013

Californians started 2013 by consuming 3.50 billion gallons of gasoline during the months of January, February, and March. That total represents a 1.5 percent decline from the 3.56 billion gallons consumed during those same months in 2012.

Pricewise, consumers received a break at the pump during the first quarter of 2013. The average price of gasoline in California was \$4.00 per gallon, a six-cent decrease over the average price of \$4.06 per gallon in the first quarter of 2012. Nationally, the average price of gasoline during the first quarter of 2013 was \$3.64, according to the Energy Information Administration (EIA).

The Board of Equalization (BOE) estimates tax-related revenues based on

gasoline purchases in the first quarter of 2013 brought in \$424 million in sales taxes and \$1.261 billion in excise taxes statewide.

Diesel Consumption

In the first quarter of 2013, California's diesel fuel consumption was 619 million gallons. Comparing that amount to the 597 million gallons of diesel fuel consumed in the first quarter of 2012 indicates an increase of 3.8 percent.

In California, the average price of diesel fuel in the first quarter of 2013 was \$4.22 per gallon, which is six cents less per gallon than the average price of \$4.28 in the first quarter of 2012. Nationally, the average price of diesel fuel in the first quarter of 2013 was

\$4.03, according to the EIA.

BOE estimates statewide diesel fuel tax-related revenues for the first quarter of 2013 are \$235 million in sales taxes and \$77 million in excise tax in California.



Small Business Corner:

Auto Repair Garages and Service Stations

We are launching a new regular feature called Small Business Corner. Look here each month for articles highlighting issues, tools and resources of interest to small business owners.

For many families in California and across the United States, summer means hitting the pavement for long road trips and vacations. For those in the auto repair and service industry, this means an increase of customers.

The Board of Equalization (BOE) recognizes that understanding tax requirements and regulations may be cumbersome and time-consuming for business owners. The BOE [website](#) features a number of helpful resources specific to auto repair garages and service stations. Publication 25, “[Auto Repair Garages and Service Stations](#),” is full of useful information aimed at helping small business owners navigate California’s Sales and Use Tax Law. Publication 108, “[Labor Charges](#),” details the types of labor charges subject to tax.

We hope easy access to these and other resources might take a few bumps out of the road to your small business success, as well as raise consumers’ awareness about taxes that may effect them.



Fun Fact: California had 9,896 gasoline stations and 20,153 auto parts, accessories and tire stores in the 4th quarter of 2012. The number of gasoline stations and auto part, accessories and tire stores has remained relatively constant over the past few years, with a slight decrease in the number of gasoline stations.

Basic Sales and Use Tax Seminars and eFile Clinics

The Board of Equalization (BOE) offers free [Basic Sales and Use Tax \(BSUT\) workshops and eFile clinics](#) in different languages, including English, Spanish, Chinese, and Vietnamese, to provide in-person support to taxpayers. Visit Ms. Yee’s website for a complete list of workshops offered in the [First Equalization District](#).

- July 11: Basic Sales and Use Tax Seminar in English (Salinas)
- July 16: Basic Sales and Use Tax Seminar in English (Oakland)
- July 17: Basic Sales and Use Tax Seminar in Chinese (Oakland)
- July 18: Basic Sales and Use Tax Seminar in Spanish (Oakland)
- July 23: Basic Sales and Use Tax Seminar in English (Santa Rosa)
- July 29: eFile Clinic in English (Oakland)
- July 30: eFile Clinic in English (Oakland)
- July 30: Basic Sales and Use Tax Seminar in English (Fairfield)
- July 31: eFile Clinic in English (Oakland)
- August 1: Basic Sales and Use Tax Seminar in English (San Francisco)
- August 6: Basic Sales and Use Tax Seminar in Spanish (San Jose)
- August 6: Basic Sales and Use Tax Seminar in English (San Jose)

Online Tutorials Available 24/7

Want more information on how to eFile with the BOE? A helpful [eFile Video Tutorial](#) is available to assist taxpayers in fulfilling their tax obligation.

Don’t have time to make a Basic Sales and Use Tax seminar in person? [Online BSUT](#) tutorials are available to taxpayers, providing the information in a self-paced environment.



Equality on the March

Equality is on the march in California and across the nation! Each June, we recognize Pride Month, a celebration of the rich history, important contributions, and the struggle for full inclusion of the lesbian, gay, bisexual, and transgender (LGBT) community.

For LGBT individuals, their family and friends, this pride month is especially meaningful. The United States Supreme Court issued two major decisions. The first, *Perry v. Hollingsworth*, invalidated Proposition 8's ban on same sex marriage, and the second, *Windsor v. United States*, invalidated key provisions of the federal Defense of Marriage Act (DOMA).

These rulings represent a significant victory in the struggle to end government-sanctioned discrimination against the LGBT community. However, this struggle is far from over. Many of these federal benefits will take time to implement and 36 states still have bans on gay marriage. "Our work is not done. Every public official in California has a duty and responsibility to ensure marriage licenses and federal marriage benefits are made conveniently available to same sex couples as soon as possible. I will continue to work for these goals in my capacity as a Member of the Board of Equalization," said Ms. Yee.

San Francisco Pride

Ms. Yee proudly joined the celebration at the 43rd Annual San Francisco Pride Parade and Celebration that took place June 30, just days after the landmark Supreme Court decisions.



JUST A FEW OF THE FEDERAL BENEFITS

LEGALLY MARRIED GAY COUPLES
WILL NOW HAVE ACCESS TO.

THEY WILL BE ABLE TO:

sponsor their husband/wife for
immigration benefits

file income taxes jointly

have joint parenting rights, such as
access to children's school records

have next-of-kin status for emergency
medical decisions

have family visitation rights, such as a
visit to a spouse in a hospital or prison

receive custodial rights to children,
shared property, child support and
alimony after divorce

qualify for domestic violence intervention

receive spousal funeral and bereavement
leave

inherit property

receive spousal benefits when an officer
is killed in the line of duty

receive spousal Social Security payments

have immunity from testifying against
spouse

apply for housing assistance if in a
low-income family

apply for copyright renewal for works
created by their deceased spouse

receive spousal recognition for policies
governing burial at Arlington National
Cemetery